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OCTOBER 5, 1964



WORLDWIDE MIGRATION
OF FARM WORKERS

COLUMBIA'S CORN PROBLEM

HOW U.S. FRUIT FIRM
EARNED EXPORT AWARD

FOREIGN AGRICULTURE

Including **FOREIGN CROPS AND MARKETS**

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

OCTOBER 5, 1964

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Under the Colombo Plan money and technical help are given undeveloped countries to build up industries, such as this tanning factory in Manila, to train new workers, many of them from rural areas. See article opposite page.

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The Worldwide Migration of Farm Workers

—a study of how this slow movement away from agriculture is influenced by population growth and economic progress

A country's economic development is indicated mainly by the distribution of its population between the agricultural and nonagricultural sectors. In the less developed countries the bulk of the population is dependent on agriculture, and income levels are low. As economic development progresses, the secondary and tertiary sectors of the economy expand, agriculture becomes relatively less important, and labor moves away from the farms.

Thus in North America, Oceania, and Western Europe, agriculture today generally occupies less than one-quarter, and sometimes less than 10 percent, of the total labor force. By contrast, in the developing countries this proportion commonly exceeds one-half, and is estimated to reach 80 percent or more in Korea, Thailand, and the Congo (Leopoldville).

In the early stages of development, the shift out of agriculture is a relatively slow one: the proportion of the labor force in that sector declines, but the absolute numbers continue to increase. It is only later, as industrialization proceeds, that the latter, too, begin to fall.

Trek to the cities

For the individual, the move from a rural to an urban area is part of his search for a higher income and better living conditions, including all of the advantages which he thinks the city can bring. From the economic point of view, the movement is principally an expression of changes in the pattern of demand, and hence in the occupational distribution of the labor force. As a growing portion of the national income is spent on items such as bicycles and textiles, a growing portion of the labor force is needed to produce them, and people move to the cities where such production begins to develop. Because labor productivity in the earlier stages of industrialization tends to be higher in industry than in agriculture, a higher income can be realized.

In today's developing countries, however, this situation may be somewhat distorted. The extremely high population density in many rural areas may literally squeeze workers out of agriculture, resulting in a migration to towns which does not always reflect shifts in the structure of production. It does, in fact, very often result in the creation of an underemployed urban slum population working with very little skill or equipment; their extremely low levels of productivity make little or no contribution to economic development.

The speed with which the movement into nonagricul-

Economic development is key to farm productivity, say the authors—

"In the United States, with less than 10 percent of the labor force in agriculture, each farm worker has as his average market more than 10 nonfarm families, even aside from exports. In India, with 70 percent of the population in agriculture and only 30 percent outside, the market available to each farm worker is less than half a nonfarm family, and a very penurious nonfarm family at that.

"In these conditions the sheer limitations of the market preclude high agricultural productivity, except sometimes in the export sector. The levels now reached in the developed countries only become feasible with general economic development and a shift of population out of agriculture."

tural occupations takes place depends on three factors: the existing distribution of the population between the two sectors; the rate of growth of the population as a whole; and the speed with which nonagricultural jobs become available.

Where half of the labor force is in agriculture, for example, an absolute decline in agricultural employment can take place only if the rate of growth of the nonagricultural population is twice that of the population as a whole.¹ Thus the situation most favorable to a rapid shift out of agriculture is a combination of a low rate of population increase and a high rate of industrialization.

Population growth a check

On the other hand, where the population growth rate is high and where agriculture absorbs not 50 percent but 80 percent of the labor force, considerable time and effort are required before actual reduction in the agricultural labor force can be expected. For example, in order to reduce the share of the agricultural population by one-quarter, say from 80 to 60 percent, it is necessary to double the share of the nonagricultural population, i.e., from 20 to 40 percent. With a population growth rate of 2.5 percent per year and 70 percent of the population in agriculture, employment opportunities in the nonagricultural sectors would have to expand at the rate of about 4 percent per year in order to make it possible for the agricultural population to level out in 50 years' time.

Where economic conditions are favorable

In the developed countries, where the agricultural labor force has almost everywhere reached the stage of absolute decline, the shift took place under comparatively favorable

This article was specially prepared for *Foreign Agriculture* by Barbara Agosini and Paul Kohn, Economic Analysis Division, Food and Agriculture Organization of the United Nations, Rome.

¹ See F. Dovring, "The Share of Agriculture in a Growing Population," *FAO Monthly Bulletin of Agricultural Economics and Statistics*, August/September 1959.

conditions. In most of Europe, annual increases in population, even during periods of rapid industrialization, were low—usually under 1 percent and never more than 1.5 percent. In Japan, once thought of as a country of rapid population growth, the annual increase never exceeded 1.7 percent or very much less than the current rate of growth in most developing countries. Toward the end of the 19th century and during the first half of the 20th, the period of most rapid industrialization, it averaged only slightly more than 1 percent, and was more than offset by the exceptionally rapid growth in nonagricultural employment.

U.S. nonagricultural employment gains

In the United States there were periods when population expanded much more rapidly. In 1850-80 and in 1880-1910 the annual rate of growth reached 2.6 percent and 2.1 percent, but these were associated with increases in nonagricultural employment of 4.2 percent and 3.6 percent. Such high rates of increase in nonagricultural employment were made possible by the exceptionally favorable conditions for economic development and the automatic entry of much of the new immigrant population directly into nonagricultural sectors. As a consequence, the percentage share of nonagricultural employment doubled in a period of 50-60 years, although the farm population did not begin to decline absolutely until after 1910, and did not fall below the 1880 level until the 1950's.

In most of Europe, too, a significant decline in the farm population did not take place until very recently, long after industrialization had begun. But despite the comparatively slow rates of expansion in the total population, for a variety of reasons it took a century or more to double the percentage share of nonagricultural employment in most of these countries.

By the last decade, however, the decline in the agricultural labor force had reached 2-3 percent per year in the more advanced European countries, as it had in North America. Such a rate of decline was made possible by the use of advanced techniques in agriculture which enabled a smaller number of producers to satisfy the growing needs, and by the steady increase of job opportunities in other sectors.

Situation in the less developed nations

The experience of the less developed countries is less well recorded, and the data which are available are not very reliable. It is nevertheless clear that the absolute numbers of workers in agriculture are still increasing, and in some cases very rapidly.

Only in Argentina, where nonfarm employment is already dominant and with a comparatively low rate of population growth, is there any evidence of a decline in absolute numbers in agriculture. Nevertheless, in all developing countries, the proportion of the total labor force engaged in agriculture has begun to decline, though often very slowly.

Given the basically unfavorable conditions in many countries, slow progress must be expected. As mentioned previously, agriculture often accounts for more than half, and sometimes more than 80 percent, of the total work force in the less developed countries. Population increases in the 1950's ranged from 2.1 percent per year in Africa to 2.7 percent in Latin America; the rate of increase was higher in the second half of the period, and appears to be rising still. Under such conditions the achievement of a



All over the world farm workers are moving out of agriculture into industry. Top, Sudanese girl at drill in new button factory. Opposite left, rubber workers in Brazil's Amazon Basin, and right, young Filipino learns tanning trade.

significant reduction in agriculture's share of the total labor force and the stabilization, and ultimate reduction, of absolute numbers would require an extremely rapid expansion in nonagricultural employment.

But is such an expansion within the realm of possibility? Today's developing countries can, it is true, avail themselves of the techniques and experience which have been accumulated by the developed countries over the last century. Yet, they face much more intense competition in international markets than the countries which were industrializing before the First World War. Moreover, the relatively smaller size of their domestic markets offers a limited base for rapid industrialization.

In addition, industrialization today involves a limited use of manpower in the permanent operation of the plant compared with the less sophisticated industrialization of earlier periods. Industries and methods of production requiring much labor may sometimes be chosen, but more often than not the need for maximizing output and productivity and the necessity to be competitive in terms of quality discourages the adoption of labor-intensive production methods. This, combined with the small absolute size of the nonagricultural sector in developing countries, means that the rate of creation of nonagricultural jobs is necessarily limited relative to the growth of total labor force. As Professor Gunnar Myrdal stated recently before the Italian Association for International Organization in Rome, there is little truth to the "unfortunately common, mistaken belief that industrialization can increase the demand for labor on a large scale within the next decades."

Market limits productivity

What are the implications insofar as the future of agricultural production and productivity is concerned?

No matter whether the actual number of those in the agricultural work force rises or falls, its decline as a percentage of the total means that the output per man of those who remain must increase if a country is not to rely



more heavily on imports to meet its domestic needs. Besides, the goal of economic development, i.e., a more rapid growth in per capita national income, cannot be achieved unless there is higher productivity in the agricultural, as well as the nonagricultural sector.

High productivity per man can be attained in the agricultures of economically developed countries, not only because capital is relatively abundant and institutions favorable (making possible modern techniques), but also because the large numbers of people outside agriculture and their high purchasing power provide a large and expanding market for each man employed in agriculture.

In developing countries not only is capital scarce and institutions unfavorable for agricultural growth, but the smaller urban population and its low purchasing power means that on average there is only a tiny market for each farm producer.

In the United States, with less than 10 percent of the labor force in agriculture, each farm worker has as his average market more than 10 nonfarm families, even aside from exports. In India, with 70 percent of the population in agriculture and only 30 percent outside, the market available to each farm worker is less than half a nonfarm family, and a very penurious nonfarm family at that.

In these conditions the sheer limitations of the market preclude high agricultural productivity, except sometimes in the export sector. The levels now reached in the developed countries only become feasible with general economic development and a shift of population out of agriculture.

The output gap

Just how wide is the gap in output per man between developed and developing countries may be shown by a few figures. For example, it takes 40 times as many man-hours of work to produce a ton of wheat in Japan as it does in the United States. Gross output per man engaged in agriculture is some 50 to 80 times higher in Australia and New Zealand than in some countries of Eastern Asia;

for this they owe much to their large agricultural exports.

But even given the small size of the domestic markets for farm products in relation to their farm populations, many developing countries are unable to meet even this limited demand and have to rely more and more on food imports. This may reflect the poverty of their soil or the aridity of their climate. More often it reflects outmoded institutions which leave farmers little or no incentive to increase production for the market.

Where farmers have no security of tenure, where they pay an unduly high share of their output as rent to landowners, where marketing systems return only a small fraction of the consumer's dollar to the producer, where extension services are lacking; where credit for farm improvements is to be had only at extortionate rates of interest—in these circumstances it is not surprising that production lags. Even though some men move into other occupations many farmers will have no inducement to produce more for the growing urban markets.

Two-pronged attack needed

Although a shift of manpower from agriculture to other occupations does not mean an automatic increase in farm productivity, it does make such an increase easier to obtain. It should be recognized, however, that there is bound to be a long transitional period during which the population in the agricultural sectors of most developing countries will continue to grow in absolute numbers, even though they represent a declining share of the labor force.

Thus, in order for balanced economic progress to take place, a two-pronged attack is needed. On the one hand, it is important to promote industry and do everything possible to raise the rate of growth, and the level of employment, outside the farm sector. On the other, it is necessary to remove the obstacles which in all too many developing countries prevent farmers, whether their numbers be rising or falling, from profiting from the growing markets opening to them as a result of the acceleration of economic growth in other sectors.

U.S. Variety Meat Shipments to EEC Are Smashing Records

U.S. exports of variety meats to the European Economic Community in January-July 1964 totaled 86.5 million pounds, 44 percent above a year earlier. For the year as a whole, these exports probably will far exceed the 1963 record of 105.3 million pounds. This year, shipments to each country are up, and in recent months Italy has been taking significant amounts for the first time. France, the Netherlands, and West Germany remain the largest markets, accounting for 92 percent of total U.S. exports to the EEC.

EEC countries have reduced tariffs on imports from member countries and are applying a flat 20 percent ad valorem to imports of fresh and frozen pork and beef variety meats from the United States and other third countries. Lowering of the rates for internal trade does

U.S. EXPORTS OF VARIETY MEATS TO THE EEC

Country	January-July				
	1961	1962	1963	1963	1964
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Germany, West	34.5	34.6	39.0	22.8	24.8
Netherlands	27.7	29.1	33.0	20.8	27.2
France	13.2	16.7	30.3	14.9	27.9
Belgium-Luxem.	1.8	2.6	2.5	1.5	3.3
Italy	.8	.1	.5	--	3.3
Total	78.0	83.1	105.3	60.0	86.5

not seem to have had much effect on U.S. imports, since the Common Market as a whole has been relatively short of carcass and variety meats and demand has been unusually strong.

EEC TARIFF RATES ON FRESH AND FROZEN PORK VARIETY MEATS
(Maximum rates effective Aug. 1, 1964)

Area	Belgium	West Germany	France
	Percent ad valorem	Percent ad valorem	Percent ad valorem
EEC countries:			
Belgium	--	0	0
West Germany	11	--	7
France	6	0	--
Italy	8	0	3
Luxembourg	13	2	6
Netherlands	0	0	0
United States and other third countries	20	20	20
	Italy	Luxembourg	Netherlands
EEC countries:			
Belgium	10	0	0
West Germany	7	1	14
France	2	0	10
Italy	--	0	12
Luxembourg	7	--	14
Netherlands	3	0	--
United States and other third countries	20	20	20

Argentine Commission Suggests Cattle Plan

Argentina's Livestock Recovery Commission, set up to make a study of the current meat crisis, has issued a report calling for a long-range policy to avoid cyclical swings in cattle production.

The Commission recommended improving cattle herds; intensifying the application of advanced technology; improving the tax and credit policy to promote greater productivity; eradicating the principal livestock plagues by control programs on foot-and-mouth disease, brucellosis, tuberculosis, ticks, and internal parasites; and colonizing public lands that are considered suitable for agricultural production.

In addition, the Commission proposed that the meat-packing industry be modernized and small and medium-sized plants be encouraged; that the national diet be diversified to put less emphasis on beef; that the transportation and marketing system be improved; and that export markets be developed and diversified.

The present scarcity and high prices of beef are, of course, already stimulating the expansion of beef output, although the results will not be forthcoming for about 2 years. The shortage of cattle in the Pampa Zone has attracted cattle from the northern area for feeding, thus bringing improved output and prices from that area, where steers must ordinarily be maintained for 4 years or more to obtain adequate market finish.

Underscoring another of the Commission's recommendations—diversification of the Argentine diet—the beef shortage is giving considerable impetus to producers of poultry and pork by building up the local market for these

products. This switch in meat purchases is releasing additional supplies of beef for export. The Commission feels that Argentina could export about 1 million tons of meat if that much were available.

Belgian Import Bonuses End on Cattle, Beef

The Belgian Government has canceled the import bonuses it was paying to encourage purchases of cattle and beef from non-EEC countries during the spring and summer (*Foreign Agriculture*, May 11, 1964). The government's action fulfills a promise the Prime Minister made to the three Belgian farm organizations in August.

The system of import bonuses, put into effect April 14, was designed to partly offset the tariff advantage that imports of cattle and beef from EEC countries had over imports from non-EEC countries. Bonuses were paid on all cattle and beef imports, but they ran somewhat higher for those from outside EEC.

Belgium's trade restrictions on cattle and beef have reverted to the former system. Import licenses are required. Customs duties on imports from non-EEC countries (including Greece) are 11.1 percent ad valorem for cattle and 14.4 percent for beef; on imports from other EEC members, they are 5.4 percent for cattle and 7.2 percent for beef. There are no transmission taxes on cattle; on beef, there is a tax of 6 percent on the c.i.f. price plus the customs duty.

In 1963, Belgium-Luxembourg imported 45 million pounds of beef and veal and exported 21 million. In 1964, with imports likely to rise considerably and exports to decline, net imports will be well above last year's.

Colombian Production of Corn Fails To Keep Pace With Consumption

Colombia, noted for its success in growing coffee, sugar, cotton, and other farm products, cannot seem to produce enough of its biggest staple item—corn.

Although second largest crop in volume, corn is almost always scarce somewhere in Colombia, if not over the entire country. In recent years, this shortage has grown, with the result that generally low-priced corn is selling at a premium. Prices in 1964 averaged about 150 percent above those in 1960, and the average consumer over this same period of time has had to decrease his consumption of corn from 115 pounds a year to 97.

This shortage in a country with much land and a relatively high level of know-how can be traced to three factors: Poor yields and little production increase, diversion of larger amounts of corn to the livestock industry, and an extremely restrictive policy on imports.

Extremes in production

A visit to the Cauca River Valley in the west-central part of the country would make Colombia's lack of corn seem unreal. There, two crops can be grown per year, and yields of hybrid corn often reach 130 bushels per acre. Such conditions, however, do not extend throughout the country.

In the highland, where over 50 percent of the people live, the corn stalks are frail and tall, and sometimes have just one small ear of corn about 6 feet up; yields here run about 10 bushels per acre, and the crop may require 13 months rather than the 90 to 120 days of the Cauca River Valley. Lack of credit and low returns have further com-

plicated the problem in this and the other producing areas.

In the past 3 years, a developing poultry and livestock industry has been crowding in on the corn supply. Although this high-priced "food-feed" brings the price for dressed poultry (including head and feet) as high as 58 to 65 cents per pound, the use of corn for feed is expected to continue to rise.

Import restrictions

Relief from the scarcity could come through increasing imports of corn, but this is generally against government policy. Corn imports are currently being prohibited except in times of shortages. Even in the latter case, the importer must place a prior deposit, at present amounting to 120 percent of the price of the corn, before a purchase can be made. This deposit, coupled with high duties, greatly limits imports.

The United States in recent years has made two shipments of corn to Colombia: 40,000 tons under P.L. 480 in 1961 and 20,698 commercially in early 1964.

The outlook does not look promising for adequate supplies for some years to come unless one or several of the following changes takes place: Production and yields are increased through widespread use of fertilizer and putting more land into cultivation; production of competitive crops—sugar, cotton, soybeans, sesame—on the richer lands slacks off; production of grain sorghums, with a wider range of adaptability, becomes widespread; national policies permit freer imports.

—ROBERT E. ADCKOCK

U.S. Agricultural Attaché, Bogotá

Right, stand of high-yielding corn in field near Palmira.

Farms in this area produce more than 100 bushels per acre. Below, corn on medium-class farm near Bogotá.





Keen Trade Interest in U.S. Foods at Frankfurt

Hundreds of West German food trade representatives attended the 8-day U.S. processed and specialty food show which closed September 23 at the U.S. Trade Center in Frankfurt. The exhibit, the first for U.S. agriculture at the Frankfurt Center, reportedly drew more tradesmen on opening day than has any previous event at this permanent showcase for American products.

Foods of more than 50 U.S. firms were exhibited and demonstrated un-

der the auspices of the Grocery Manufacturers of America and FAS. Among the items new to German consumers: frozen chicken and turkey rolls, seasoned rice, split-packed Chinese dinners, and ice cream toppings and sauces.

In addition, special programs were presented to select audiences of food wholesalers, institutional users, German trade and government officials.

This is the latest U.S. effort to capitalize on the growing demand for

Above left, agent for U.S. meat firm talks with trade reporter, and above, Andrew Paretti of Bon Vivant foods (l.) with GMA head Paul S. Willis (r.) sample poultry roll, one of many new products exhibited.

convenience foods in West Germany, where one-third of married women have jobs and purchasing power is at an all-time high. Frozen food sales have tripled during the past 3 years.

India Steps Up Delivery of U.S. Wheat to Interior To Ease Current Food Shortage



Indian workers unload U.S. wheat from special delivery train. The shipment is part of about 6.7 million tons of wheat India gets under P.L. 480 in 1964-65.

"Food special" trains are rushing U.S. wheat daily from Indian ports to strategic cities in the interior where the grain is helping ease an acute food shortage and curb runaway grain prices. The trains are part of the Indian Government's "speed-up" program to get imported grain from port of arrival to area of need more efficiently.

Long-standing difficulties in unloading, bagging, and transporting inland imported wheat and food grains necessitated the accelerated program, which will probably last until there is enough wheat in government stocks to iron out local supply shortages. American wheat is currently arriving at Indian ports at the rate of 20,000 tons a day, up from about 13,000 tons.

Blue Goose Growers Executive Outlines Factors Responsible for Company's Export "E" Award

● *Excerpts from a report on the export program of Blue Goose Growers, Inc., by its Export Manager, Kenneth D. Moore.*

Approximately 6 years ago a new marketing organization was created which combined in one marketing company the Arizona-California citrus volume of three independent companies. Management immediately established an Export Department to investigate the possibilities of greater product distribution and increased grower cash returns through citrus exports. Because of newly acquired avocado acreage for marketing, it was further felt increased crop potentials might also find foreign appeal.

After an extensive study of the citrus-avocado marketing possibilities in England, Norway, Sweden, Denmark, Germany, Belgium, Holland, France, and Switzerland—during which considerable encouragement was received from European wholesalers and importers—the company was ready to market under the Blue Goose label. It was decided to launch an export sales program on all fresh citrus and try to introduce avocados.

Rotterdam coordinator

A recognition of inherent European buying habits, together with the problem of logistics between producing and consuming areas, resulted in the opening of one coordinating agency for all European sales in Rotterdam with responsibility for subagents in other European countries.

A Blue Goose representative visited wholesalers, importers, and other potential buyers, expressing the company's desire to be of service, and assuring them of a quality product value-priced, merchandising assistance for Blue Goose products, and a guarantee of consistent flow of product.

Recognizing the European importer-buyer desire for a product identification with an organization of international recognition, a program was begun to advertise the brand, commodities, and services in nationally and internationally distributed publications. Advertising was done individually and cooperatively with Blue Goose, Inc., a nationwide marketing cooperative, adding prestige and in-

ternational importance to citrus marketings by identification with other affiliates of Blue Goose, Inc.

Since inception of the export program, marketing volume through European channels has steadily increased in citrus; on avocados, volume has been less encouraging and it is realized that consumer education is a necessity to increased future sales.

Once Blue Goose citrus was well established through all import channels in Europe, Blue Goose Growers elected to utilize these contracts and international acceptance by adding apples and pears from company properties in the Appalachian area as well as from Blue Goose affiliates in Washington and Oregon; grapes and other deciduous fruit from California; citrus from Texas, Florida.

Far Eastern market

Investigation into the potential market in the Far East was inaugurated in 1962. As a result of this research, a special citrus Export Pack was developed for distribution in Hong Kong, Singapore, Japan, and Okinawa. Initial offerings and shipments were well received with volume increases to these countries assured.

One of the factors responsible for increased citrus exports was the development of a new export carton.

Early in the company's foreign marketing experience, the standard fiberboard carton used for domestic shipments was found unsatisfactory for the delivery of a presentable-looking package of product to foreign markets where transit was, for the most part, three times as long as for domestic sales. The special carton created, strengthened materially over the standard domestic carton, has been beneficial to success of the foreign citrus marketing program by improving deliveries and bringing wide acceptance to package and contents.

Servicing and merchandising

Strong emphasis is also put on servicing foreign customers and on merchandising aids.

Blue Goose supports its foreign trade by personal contacts with receivers, seeking a new "eye" to the problems and opportunities of these markets, by dispatching citrus-knowledgeable experts from the company to analyze the markets, needs, and future potential. These trips have unquestionably helped maintain and increase company and product acceptance.

All subagents in Europe and others concerned with receiving company export, have been assured their Rotterdam agent is readily available at any time to go to any market where problems may arise; he has authority to act in the company interest.

Many European cities are fast adopting U.S. techniques in retail store merchandising. So to aid retailers and wholesalers in the sale of com-



Phillip Twombly, Executive Vice President of Blue Goose Growers, Inc. (l.), receives Presidential "E" Award from Assistant Secretary of Agriculture George L. Mehren. Blue Goose is third fruit export firm to win the award and first such "E" firm whose exports include any significant tonnages of apples.

New Philippine Laws May Aid Cattle Imports

Sales of U.S. dairy and beef breeding cattle to the Philippines may benefit from laws recently enacted by the Republic to upgrade the local dairy and beef industries by the encouragement of imports.

The first is the Cattle Dispersal Act of 1964 which permits the Bureau of Animal Husbandry to purchase locally, or to import, cattle tax free for loan to farmers for breeding purposes. Loan priorities are given to farmers who live in areas without cattle breeding or livestock stations, and only those who own no cattle are eligible. For each cow loaned, two calves must be paid back.

The Dairy Development Act provides for the Development Bank of the Philippines to set aside over \$256,000 every year for 10 years for loan to dairy processing plants and dairy farmers. Funds will be used to improve milk output and dairy product manufacture.

The third, Act No. 4095, exempts basic industries—with cattle and dairy industries qualifying as basic industries—from special import and compensation taxes as well as tariff duties on machinery and spare parts. During 1965, there will be a 100-percent exemption, 75 percent from 1966 to 1968, and 50 percent for the next

2 years. Full taxes and tariff duties will be reimposed in 1971.

During 1963, practically all of the Philippines' breeding cattle came from the United States; a few were imported from Switzerland and the United Kingdom. Brown Swiss led imports of dairy breeding cattle; Brahman, Santa Gertrudis, Charolais, and Chambray led beef cattle imports.

Japanese Wheat Team in U.S.

Top wheat officials from the Japanese Food Agency have just arrived in the United States on a 4-week tour designed to acquaint them with U.S. wheat production, storage, grading, transportation, export, and utilization. The recent reorganization of the Food Agency, which has sole regulatory control over the amounts of cereal grains imported into Japan, makes a U.S. visit by these men timely.

The Tokyo director of Wheat Associates, U.S.A., is escorting the six members of the team on visits to the Pacific Northwest and Great Plains producing areas as well as to Washington, D. C., for conferences with USDA officials. WA is sponsoring the trip as part of its market development program carried on in cooperation with FAS in Japan, the United States' top dollar market for wheat.

World Poultry Suppliers Show Heightened Interest in Japan

The United States' success in selling poultry to Japan beginning in 1963 (4,310 metric tons that year), is prompting increased selling efforts by other world poultry exporters, despite the 20-percent jump in Japan's import duties on poultry this past April.

Denmark, which shipped Japan one ton of eviscerated broilers on a trial basis earlier this year, has now received an order for 18 tons. Japanese importers were reportedly pleased with the Danes' careful observance of weight specifications of 1½ to 2 pounds, and uniformity in quality and size. General trade consensus in Japan is that Danish imports may well increase because of this meticulous servicing. A Danish government official is expected to visit Japan soon to promote poultry sales.

An 8-metric-ton import from Communist China included 5 tons of Peking duck for the restaurant trade and 3 tons of fowl described as "old hen" for sausage. U.S. exporters could compete with the latter with leghorn layer culls.

Rumanian poultry entered Japan for the first time this year. Reportedly, Japanese importers were not satisfied with the 10 tons of broilers purchased, and plan to hold them in bond for peak holiday demand.

pany-marketed citrus, we have made readily available to all foreign markets attractive point-of-purchase display banners for oranges, lemons, and grapefruit.

Frequent press releases appear in nationally and internationally distributed publications. These, supplemented by unique product-package presentation ads, have assisted materially in improving company marketing stature.

Impact of EEC

With the advent of the European Common Market, it was recognized that U.S. agricultural exports of "fresh" commodities, particularly citrus, might be faced with many new problems such as new quality requirements, product inspection, and pricing limitations. Therefore, Blue Goose Growers has cooperated with the California-Arizona citrus industry with financial support and, with the assistance of the Foreign Agricultural

Service, now has a representative in Brussels to help the U.S. industry with the complex problems arising from the establishment of the European Economic Community.

Coupled with this is company support of the Industry Committee on Citrus Additives which, for 2 years, has had under consideration the problems of pre-harvest, as well as post-harvest, additives for fruit. Through this organization, the U.S. industry is working with foreign governments to establish rules and regulations governing tolerances on certain chemical additives which are in keeping with those accepted by the U.S. Food and Drug Administration. This particular program has aided the company in securing volume movement to foreign countries such as West Germany.

Blue Goose found during their own market research program a tremendous demand for post-harvest, untreated, citrus fruit in West Germany.

Through packinghouse and picking modifications and innovations, Blue Goose made the first shipment of untreated lemons from Arizona to the West German market a year ago.

Recovery of lemon markets

Inauguration of this program should substantially increase company volume in Germany and other European countries where such fruit is found highly desirable and where the former California-Arizona lemon market had for the most part been lost to Turkey, Sicily, and Algeria.

The development of techniques that permit shipment of untreated lemons will aid in profitable disposition of surpluses that have developed in all U.S. western growing districts during the past several years. At present, only lemons from Arizona have been found suitable for these new techniques, with a marketing season confined to October and November.

Canadian Grain Crop Estimates

Production of the principal Canadian grains in 1964 is estimated to be approximately 20 percent below the record level of last year, owing to lower yields. However, this is still 25 percent above the average for the past 10 years.

Despite some reduction in wheat stocks, carryover for the four grains—wheat, oats, barley, rye—was estimated at 765 million bushels compared with 731 million a year earlier. The total wheat supply is expected to be around 1 billion bushels; this should be sufficient to maintain consumption and meet Canadian export commitments.

Estimates of Canada's 1964-65 grain crops and comparisons with those of 1963-64 are given in the following table:

Grain:	1963-64 Mil. bu.	1964-65 Mil. bu.
Wheat -----	723.4	596.1
Oats -----	453.1	356.8
Barley -----	220.7	169.1
Rye -----	12.8	12.8

Dominion Bureau of Statistics.

Switzerland's Rice Imports Down

Switzerland imported 9,700 metric tons of rice in January-June 1964—5,500 less than in the same period a year ago. A sharp decline in imports from Italy accounted for this drop. Takings of both milled and semimilled rice from the United States were above the 1963 total.

SWITZERLAND'S IMPORTS OF RICE

Country of origin	Average		1963	January-June	
	1956-60	1962		1963	1964
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
Italy:					
Semimilled ---	17,272	23,460	21,300	10,038	2,465
Milled -----	3,628	1,465	1,269	804	265
Total -----	20,900	24,925	22,569	10,842	2,730
Netherlands:					
Milled -----	663	794	376	164	83
United States:					
Semimilled ---	458	1,823	1,908	896	2,317
Milled -----	1,590	2,930	3,858	2,365	3,044
Total -----	2,048	4,753	5,766	3,261	5,361
Other countries -	1,850	1,782	1,215	938	1,553
Grand total ---	25,461	32,254	29,926	15,205	9,727

Statistique Mensuelle du Commerce Extérieur.

Denmark's Butter Exports Below Last Year's

Denmark's butter exports in January-June 1964 totaled 105 million pounds, 11 percent below those in the 1963 period.

Sales to the United Kingdom were off by 5 million pounds to 95 million, and those to EEC countries dropped from 12 million pounds to 3 million. Purchases by Czechoslovakia, at 1 million pounds, were the same as a year ago, while Switzerland—not a purchaser of Danish butter in the first half of 1963—took 3 million pounds. Sales of 560,000 pounds were made to East Germany.

Exports of cheese amounted to 86 million pounds, only fractionally above those in the 1963 period. Sales to West Germany, the principal market, increased 6 percent to 44 million pounds, while those to the United Kingdom

were off slightly to 10 million. France's purchases totaled only 525,000 pounds, compared with more than 2 million in the same period of 1963. Other countries taking smaller quantities of cheese were Italy, Switzerland, Belgium, and the United States; Sweden, East Germany, and the USSR were among those taking somewhat larger quantities than in the previous year.

Brazil Reduces Coffee Tree Numbers

Brazil's Executive Group for the Rationalization of Coffee Culture (GERCA) has reported that during the first 2 years of its diversification program, which began on June 23, 1962, 701 million coffee trees were eradicated.

About half of the 4 billion trees under cultivation in Brazil are to be taken out of production because they are no longer economical. Most of this freed acreage is to be planted to other crops or used as pasture. About 500 million new, high-yielding coffee trees are scheduled for planting in more favorable producing areas, but as of December 31, 1963, less than 500,000 had been planted.

United Kingdom Expanding Production of Sugarbeets

The U.K. Ministry of Agriculture announced on September 16 that British farmers will be authorized to plant an additional 7,500 acres to sugarbeets in 1965. Of this amount 7,250 acres will be planted in England and Wales and 250 in Scotland. The decision to expand acreage was reportedly reached as a consequence of the termination of the South African Sugar Agreement.

A 20,750-acre increase was authorized for 1964. At that time, it was stated that the acreage would be reviewed in future years according to developments in the world sugar situation. If the full authorization for 1965 is planted, the total area in sugarbeets will be 442,850 acres. The United Kingdom presently produces about 900 short tons (raw value) of sugar and imports about 2½ to 3 times this much.

U.S. Exports of Livestock Products Increase

U.S. exports of meat and most other livestock products in January-July 1964 were considerably higher than a year earlier. Exports of tallows and greases, cattle hides, and calf skins reached new record levels, and those of lard, cattle, variety meats, and carcass meats were up substantially. However, exports of sausage casings and mohair have fallen considerably below 1963.

Lard exports in January-July 1964 were 41 percent greater than a year earlier, mainly because of larger purchases by the United Kingdom.

January-July exports of inedible tallows and greases increased by 36 percent to over 1.5 billion pounds with 14 of the 17 principal markets taking more than in the previous year. Shipments to Japan, the Netherlands, Egypt, the USSR, Poland, the United Kingdom, Belgium-Luxembourg, and the Republic of South Africa were up sharply. The large shipments in July 1964 included 66 million pounds of tallow going to the USSR.

A rise of 43 percent in exports of red meats for the

first 7 months of 1964 was mainly due to large exports of pork to Canada, Japan, and Western Europe. The 98-percent increase in beef and veal shipments reflects shipments of meat to Israel and Western Europe. Exports of variety meats have continued unusually large as a result of the meat shortages and very strong demand for meat in Europe this year.

Exports of cattle hides, calf skins, and sheep and lamb skins continued materially greater than a year earlier. Shipments of bovine skins to Japan are at a new record and large amounts are going to most of the usual importing countries in Europe.

Exports of cattle during the first 7 months of 1964 totaled 44,542 head compared with 11,024 in the same period of 1963. The big increase was almost entirely in the shipment of slaughter cattle to Canada during the summer.

Exports of sausage casings are down sharply this year. Exports of hog casings were down 27 percent and those of other types, 31 percent.

Mohair exports continue at low levels compared with the large exports last year because of changes in demand for this fiber in Japan and Western Europe. One reason for this is the decline in the popularity of women's mohair sweaters.

U.S. EXPORTS OF LIVESTOCK PRODUCTS (Product weight basis)

Commodity	July		Jan.-July	
	1963	1964	1963	1964
	1,000	1,000	1,000	1,000
Animal fats:	pounds	pounds	pounds	pounds
Lard	52,387	45,809	304,135	428,295
Inedible tallow & greases ¹	178,921	262,843	1,108,272	1,507,073
Edible tallow & greases ²	685	1,196	6,489	8,080
Meat:				
Beef and veal	1,947	3,755	13,326	26,390
Pork	8,137	8,557	75,831	100,280
Lamb and mutton	38	108	589	820
Sausages:				
Except canned	151	157	861	2,334
Canned	51	60	525	521
Baby food, canned	30	44	320	410
Other canned meats	126	180	827	1,067
Total red meats	10,480	12,861	92,279	131,822
Variety meats	11,539	16,991	90,546	124,734
Sausage casings:				
Hog	1,194	652	8,600	6,248
Other natural	681	453	3,245	2,239
Mohair	684	74	8,374	1,620
	1,000	1,000	1,000	1,000
Hides and skins:	pieces	pieces	pieces	pieces
Cattle	622	972	4,132	6,385
Calf	92	158	854	1,374
Kip	25	26	122	147
Sheep and lamb	219	263	1,609	1,980
	Number	Number	Number	Number
Live cattle	1,869	4,319	11,024	44,542

¹ Includes inedible tallow, greases, fats, oleic acid or red oil, and stearic acid. ² Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, and animal fat excluding lard.

Hog Cholera in U.K. Reduced Sharply

Since the beginning in early 1963 of Great Britain's hog cholera eradication campaign, there has been a steady drop in the incidence of the disease. From mid-July to mid-August this year, there were only six outbreaks compared with an average of over 100 cases per month during the first 6 months of the campaign.

Through the first 7 months of this year, 276 outbreaks were confirmed in Great Britain and 75,514 hogs that had been diseased or exposed to infection were slaughtered.

During the same period last year, 953 outbreaks were confirmed and 175,038 hogs, slaughtered.

Australian Meat Shipments to the United States

Seven ships left Australia during the latter half of August with 6,867,840 pounds of beef and 60,480 pounds of mutton for the United States.

Ship and sailing date	Destination ¹	Arrival date	Cargo	Quantity
	<i>Western ports</i>			
Cap Delgado	Tacoma	Sept. 6	Beef	56,000
Aug. 17	Los Angeles	15	Beef	253,120
	San Francisco	19	{Beef	479,360
			{Mutton	33,600
Martha Bakke	Seattle	Oct. 13	Beef	44,800
Aug. 23	Tacoma	14	Beef	15,680
	Portland	16	Beef	33,600
	Los Angeles	23	Beef	992,320
	San Francisco	27	{Beef	64,960
			{Mutton	26,880
Iberia	San Francisco	Sept. 24	Beef	33,600
Aug. 24				
Parrakoola	Los Angeles	Sept. 14	Beef	719,040
Aug. 28	San Francisco	21	Beef	649,600
	Portland	27	Beef	56,000
	Seattle	29	Beef	152,320
Monterey	San Francisco	17	Beef	103,040
	Los Angeles	21	Beef	172,480
	<i>Eastern ports and St. Lawrence Seaway</i>			
Pioneer Gem	Charleston	Sept. 17	Beef	33,600
Aug. 22	Boston	21	Beef	136,640
	New York	23	Beef	338,240
	Philadelphia	26	Beef	127,680
	Baltimore	27	Beef	412,160
Trojaland	Norfolk	(*)	Beef	80,640
Aug. 27	Charleston	Sept. 26	Beef	159,040
	Philadelphia	29	Beef	409,920
	New York	Oct. 1	Beef	981,120
	Boston	2	Beef	217,280
	Detroit	11	Beef	145,600

¹ Cities listed indicate location of purchaser and usually the port of arrival and distribution area, but meat may be diverted to other areas for sale. ² To be transhipped.

Near-Average Portuguese Fig Pack

The 1964 commercial dried fig pack in Algarve, Portugal, is estimated at 11,000 short tons. While this is slightly above the 5-year average (1958-62) of 10,700 tons, it is well below the bumper 1963 pack, now estimated at 13,600 tons. Prices, at both the grower level and export level, are expected to be strong this season.

Since production is smaller and carryin stocks, as usual, negligible, exports as well as domestic consumption (within Portugal) are expected to be down in 1964-65 compared with 1963-64. A comparison of Portuguese exports of the three main dried fig items for recent seasons, in short tons, is as follows:

	1962-63	Preliminary 1963-64	Forecast 1964-65
Whole figs	2,360	2,080	1,600
Fig paste	2,758	6,060	5,000
Industrial figs	1,226	30	---
Total	6,334	8,170	6,600

The 1963-64 season was obviously a banner year for Portuguese paste exports—the largest on record. Although complete Portuguese export statistics are not yet available for the 1963-64 season, it is known that Portuguese paste exports to the United States were exceptionally heavy. This was attributed to a short 1963 California crop, two consecutive seasons of abnormally small shipments from Turkey to the United States due to insect infestation problems, and a large 1963 Portuguese crop.

Though 1964-65 Portuguese paste exports are likely to be lower than in 1963-64, they are still expected to be larger than average.

Spanish Dried Apricot Pack Unchanged From 1963

Spain's 1964 dried apricot pack is estimated at 3,300 short tons, while the 1963 pack figure has been revised down from 3,900 tons to 3,300. Production for both 1963 and 1964 has been well above the 1958-62 average pack of 1,860 tons. The 1964 pack is expected to be almost entirely exported as domestic consumption has historically been only about 200 tons.

New-crop apricots were reportedly much more expensive this season than last because of heavy canning demand. Prices to producers for fresh apricots ranged from 3.6 to 4.0 cents per pound compared with 0.5 to 1.5 cents last year. Processors are asking 23.4 to 25.7 cents for dried apricots as against 10.6 to 15.9 cents last year.

Argentina Packs More Dried Fruit

Argentina's production of dried fruit during 1964 was substantially above the 1963 level, according to trade estimates. Both the 8,700-short-ton prune pack and the 4,400-ton raisin and currant production were above their 1963 levels of 6,900 and 4,000 tons, respectively. However, dried peach production, at 770 tons, was about 3 percent below the 1963 pack.

In spite of the larger pack, exports of prunes are expected to be about the same as the 4,421 tons shipped in 1963 because domestic consumption is expected to increase. Exports of raisins and currants are also expected to decline, by about 40 percent from the 1,769 tons shipped last season, because of increased domestic demand.

Greece Reports Larger Raisin and Currant Packs

Greece's 1964 raisin and currant packs are both reported to be larger than in 1963. The raisin estimate of 75,000 short tons is 25 percent above the 1963 level of 60,000 tons but still well below the record 1962 pack of 96,500 tons. Currant production, estimated at 95,000 tons, would be about 12 percent above the 1963 level of 85,000 but well below the 1962 pack of 120,000 tons. Average 1958-62 production was 61,600 tons of raisins and 102,400 tons of currants.

Raisin exports during 1963-64 are estimated at 56,000 tons as compared with a record 87,000 tons in 1962-63 and the 1958-62 average of 53,300. West Germany was again the leading buyer. Exports for 1964-65 are forecast at 68,000 tons.

Currant exports for the year ended August 31, 1964, are estimated at 67,000 tons as compared with the postwar record of 82,000 tons in 1962-63. Average 1958-62 exports were 72,500 tons. The United Kingdom remained the predominant buyer of Greek currants, taking 75 percent of the 1963-64 shipments.

Spanish Raisin Production Down Slightly

The 1964 Spanish raisin pack is estimated at 11,000 short tons—about 5 percent below the 11,600 tons produced in 1963 and well below the 1958-62 average pack of 13,200 tons. Size and quality are reported as being excellent this year.

Exports for the 1963-64 season are expected to total 5,000 tons as compared with 1962-63 shipments of 5,513 and 1958-62 average exports of 6,243.

According to industry sources, 1963-64 f.o.b. export prices for raisins were as follows: Malaga cluster, from 26.8 to 35.9 cents per pound; Malaga loose muscatels, 22.7; and Denia, 15.1 to 19.7. Indications are that prices will be higher in 1964-65.

Japan's Consumption of Soybeans Increases

Japan's consumption of soybeans, excluding farm use, in the 1964 Japanese fiscal year (which began April 1) is estimated at 1,827,900 metric tons (67.2 mil. bu.), 6 percent more than in the previous year. Imports in JFY 1964 are estimated at 1,653,000 tons (60.7 mil. bu.), 2 percent above those in JFY 1963.

JAPAN: SOYBEANS, SUPPLY AND DEMAND SITUATION¹
JFY 1962, 1963, AND ESTIMATED 1964

Supply and distribution	1962 ²	1963 ²	Estimated 1964 ²
	1,000	1,000	1,000
SUPPLY	metric tons	metric tons	metric tons
Beginning stocks, April 1 ---	102	122	178
Production ¹ -----	166	158	146
Imports -----	1,284	1,617	1,653
Total supply -----	1,552	1,897	1,977
DISTRIBUTION			
Consumption:			
Food:			
From domestic production	164	160	146
From imports -----	306	337	356
Total food -----	470	497	502
Oil:			
From domestic production	0	0	---
From imports -----	960	1,222	1,326
Total oil -----	960	1,222	1,326
Total consumption -	1,430	1,719	1,828
Ending stocks, March 31 ---	122	178	149
Total distribution ----	1,552	1,897	1,977

¹ Excluding consumption on farms. ² Japanese fiscal year, beginning April.

Ministry of Agriculture and Forestry.

In April, the government estimated the import requirement of soybeans for oil at 1,355,000 tons, but it recently revised this estimate downward, on the basis of trends during the April-August period, to 1,326,000 tons. This decrease in soybean imports is expected to be offset mainly by imports of safflowerseed.

The official estimate of domestic production of soybeans in 1964 has been revised to 254,000 tons (9.3 mil. bu.), one-fifth less than last year's outturn. Plantings, at 518,910 acres, are down by 10 percent.

The production and consumption of soybean meal in JFY 1964 is estimated by the Food Agency of the Ministry of Agriculture and Forestry at 1,016,000 tons, 9 percent above the previous year. While consumption for food is expected to increase only slightly, consumption for feed is expected to be up by 10 percent to 685,000 tons. In JFY 1963, about 9,300 tons of soybean meal were imported, mainly for feed, but in JFY 1964 no imports are expected.

In the first 6 months of calendar 1964, imports of soybeans totaled 827,713 tons (revised slightly from the earlier figure in *Foreign Agriculture*, Sept. 7, 1964). Of the total, 674,461 tons, or 81 percent, came from the United States and most of the remainder, from Communist China. For calendar 1964, Japanese traders agreed to purchase from

Communist China a total of 295,000 tons (10.8 mil. bu.) of soybeans composed of 250,000 tons (9.2 mil. bu.) under the long-term agreement and 45,000 tons (1.6 mil. bu.) through "friendly firms."

The scheduled June-July shipments of 45,000 tons under the long-term agreement were not made. Therefore, total shipments for the year are expected to be about 250,000 tons (9.9 mil. bu.)—205,000 tons under the long-term agreement, 45,000 by "friendly firms." There is also a 20,000-ton carryover from 1963.

Philippine Copra and Coconut Oil Exports

Registered shipments of copra and coconut oil from the Philippine Republic in January-August of this year (oil equivalent basis) totaled 437,748 long tons, a decrease of 11 percent from 490,014 in the same period of 1963. Copra exports were down 18 percent, while exports of coconut oil were up 9 percent. The U.S. import quota of 160,000 tons from the Philippines for calendar 1964 was filled on August 24; imports in excess of the quota are subject to a duty of 1 cent per pound.

PHILIPPINE EXPORTS OF COPRA AND COCONUT OIL

Destination	1963 ¹	January-August	
		1963 ¹	1964 ¹
	<i>Long tons</i>	<i>Long tons</i>	<i>Long tons</i>
Copra:			
United States -----	245,293	159,725	127,401
Europe -----	623,693	361,015	313,038
South America -----	16,970	7,000	1,000
Japan -----	38,977	26,477	14,300
Other Asia -----	500	---	500
Middle East -----	3,250	3,250	140
Total -----	928,683	557,467	456,379
Coconut oil:			
United States -----	183,648	130,465	122,473
Europe -----	28,489	2,770	22,349
South Africa, Rep. of -----	---	---	843
Total -----	212,137	133,235	145,665

¹ Preliminary.

Thailand's Soybean Production Down

Unofficial estimates placed Thailand's 1964 soybean crop at only about 990,000 bushels, harvested from 63,000 acres. This is 4 percent less than the 1963 crop of 1,029,000 bushels from 65,000 acres. The decline in plantings is attributed to unfavorable prices received by farmers in 1963 and early 1964.

January-June 1964 exports totaled 94,700 bushels valued at \$257,000, about 46 percent higher in volume and 22 percent higher in value than exports in the corresponding period of 1963. Lower domestic and export prices caused stronger demand from some regular buyers—Hong Kong, Penang, and Japan.

The slight annual fluctuation in production is expected to continue for the next few years, during which time there will still be small surpluses for export, even though soybeans are widely consumed as a pulse in Thailand. No soybeans are consumed in oil production; small quantities of oil are imported annually for use as salad oil.

With the continuing rise in prices of animal fats—especially lard, widely used in cooking—more vegetable oils, either imported or domestically produced, are expected to get a share of Thailand's market. The current price of domestic lard ranges from 12 to 14 baht per kilogram (26 to 30 U.S. cents per lb.). A prospective importer of U.S. soybean oil states that soybean oil could be imported

and resold profitably at 11 baht per kilogram (24 U.S. cents per lb.).

FEO Members Up Their Production, Exports of Fishmeal

The production and export of fishmeal by the six member countries of the Fish Meal Exporter's Organization (FEO) during the first 6 months of 1964 increased 29 and 36 percent, respectively, from the levels obtained in January-June 1963. Chile became a member of the FEO at the end of 1963.

The six member countries account for over 90 percent of world exports of fishmeal. Peru, the world's leading producer, accounted for 68 percent of total exports by FEO countries in January-June 1964, Norway 10 percent, the Republic of South Africa 9, Chile 6, Iceland 5, and Angola 2.

PRODUCTION AND EXPORTS OF FISHMEAL BY FEO

Country	Production		Exports	
	1963	1964	1963	1964
	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>
Angola -----	13.1	30.6	13.8	29.2
Chile -----	¹ 65.0	91.0	62.7	72.6
Iceland -----	39.6	52.9	37.2	53.0
Norway -----	45.1	99.8	41.6	109.0
Peru -----	700.9	869.6	614.3	771.4
South Africa -----	146.8	159.2	72.5	106.9
Total -----	1,010.5	1,303.1	842.1	1,142.1

¹ Estimated.

Fish Meal Exporter's Organization except data for Chile prior to 1964.

Dominican Republic: Market Prospect for Peanut Oil

The Dominican Republic reportedly is a prospective market for increased peanut or peanut oil imports from the United States. Local producers have not been able to supply the demand for peanut oil, and both last year and this year the industry has been forced to import crude peanut oil. There appears to be little doubt that the market would easily absorb the oil equivalent of an additional 12,000 to 15,000 metric tons of peanuts each year for the next 5 years, just to maintain supplies at current levels.

About twice that volume would be needed to fully satisfy the demands of the market.

Peanut production in the Dominican Republic in 1964 is estimated at 52,415 tons, compared with 47,787 in 1963. Imports of crude peanut oil were 2,958 tons in 1963 and 3,601 in 1962.

During January-July 1964, exports of peanuts and peanut oil to the Dominican Republic, in pounds, with exports in the comparable period of 1963 in parentheses, were shelled peanuts 8,446 (22,762), unshelled peanuts 2,336 (5,365), and crude peanut oil 15,403,523 (0).

Oil Extraction Plant Opens in Canada

A new vegetable oil extraction plant opened in Nipawin, Saskatchewan, on September 11, with an annual capacity of 62,500 tons. Although the plant is designed to extract oil from any oil-bearing seed, it is located in a rapeseed-producing area.

Reportedly the plant employs the most modern and efficient techniques of solvent extraction in which processed meal contains less than 1 percent oil. Essentially the process consists of cooking and drying the raw seed, then

extracting the bulk of the oil from the seed in specially designed units. Hexane is then applied in a solvent extraction system to remove the remainder of the oil. The crude oil is sold to producers of salad dressings, cooking oils, and other edible vegetable oil products, while the meal is utilized as a protein concentrate for livestock.

Sweden's Oilseed Production Increases

Sweden's oilseed production in 1964, largely rapeseed, is officially reported to be over 35 percent above that in 1963. The gain primarily reflects an expansion in winter rapeseed acreage as well as some improvement in yields. Fall seedings of rapeseed are expected to be relatively large, since weather and soil conditions are favorable.

SWEDISH OILSEED PRODUCTION, HARVESTED AREA, AND YIELDS

Year	Unit	Rape-seed	Mus-tard-seed ¹	Flax-seed	Total oil seeds
AREA					
1960	1,000 acres	87.1	6.7	5.5	99.3
1961	--do--	130.6	37.1	3.3	171.0
1962	--do--	159.6	43.7	1.9	205.2
1963 ²	--do--	144.1	54.4	1.0	199.5
1964 ³	--do--	204.4	56.6	0.7	261.7
YIELD ⁴					
1960	Pounds per acre	1,735	1,165	1,125	---
1961	--do--	1,780	1,045	1,200	---
1962	--do--	1,785	1,285	1,155	---
1963	--do--	1,435	1,540	1,115	---
1964	--do--	1,530	1,520	1,190	---
PRODUCTION					
1960	1,000 short tons	75.5	3.9	3.1	82.5
1961	--do--	116.2	19.4	2.0	137.6
1962	--do--	142.3	28.1	1.1	171.5
1963 ²	--do--	103.3	41.9	0.6	145.8
1964 ⁵	--do--	156.3	43.0	0.4	199.7

¹ White variety only. ² Preliminary. ³ Preliminary based on June 2 acreage inventory. ⁴ Calculated from rounded data. ⁵ Preliminary based on July 15 crop survey.
Compiled from official and other sources.

Hong Kong's Cigarette Exports Set Record

Hong Kong's 1963 exports of domestic-made cigarettes set a new record, of 10.9 million pounds—27 percent larger than the previous high of 8.6 million pounds recorded in 1962. Major markets last year included North Borneo, 9.3 million pounds, Macao 0.8 million, and Sarawak 0.4 million. Other less important outlets were Laos, Malaysia, Gibraltar, and Brunei.

Limbe Tobacco Auctions Close

Sales of the 1964 tobacco crops produced in Malawi (formerly Nyasaland) and the Fort Jameson area of Northern Rhodesia have been completed. The volume sold was considerably below last season because the crops in both Malawi and the Fort Jameson area were adversely affected by continued drought conditions from late February through the completion of harvest.
Grower prices for flue-cured and burley dropped about 20 percent from the previous season owing to lower quality in conjunction with unprecedented amounts of short leaf being offered. Grower prices for fire-cured and sun/air-cured tobaccos were somewhat higher than those for the 1963 season because the volumes offered were much below buyers' requirements.
Sales of flue-cured tobacco declined during the 1964

season to 3.1 million pounds, at an average price equivalent to 32.5 U.S. cents per pound from last season's 3.7 million pounds, at an average of 39.8 cents. Auction prices for Malawi-grown flue-cured averaged 31.9 cents per pound, compared with 39.8 in 1963, and those of Fort Jameson flue-cured, 36.0 compared with 39.8.

Sales of burley were up in volume to 8.2 million pounds from 7.6 million last season, but the average price was only 26.3 U.S. cents per pound, compared with 33.6 in 1963. Malawi's burley averaged 27.8 cents per pound and Fort Jameson's, 24.2.

Sales of fire-cured tobacco dropped to 16.6 million pounds from 27.3 million pounds in 1963. However, the average price rose to 23.3 cents from 21.0 cents.

Sales of sun/air-cured tobaccos totaled 3.0 million pounds at 28.9 cents per pound, compared with last year's 5.2 million pounds at 26.4 cents.

TOBACCO AUCTIONS AT LIMBE, MALAWI

Kind of leaf	1963 crop		1964 crop	
	Quantity	Price per pound	Quantity	Price per pound
	1,000 pounds	U.S. cents	1,000 pounds	U.S. cents
Flue-cured	3,720	39.8	3,117	32.5
Burley	7,635	33.6	8,215	26.3
Fire-cured	27,315	21.0	16,633	23.3
Sun/air-cured	5,218	26.4	3,008	28.9
Total	43,888	---	30,973	---

Canadian Cotton Consumption Higher in August

Canadian cotton consumption, indicated by the number of bales opened by mills, was 36,655 bales (480 lb. net) in August—the first month of the 1964-65 season—compared with 26,753 in July and 34,579 in August 1963.

Colombia's 1964-65 Cotton Crop Lower

Colombia's 1964-65 cotton crop is tentatively placed at 320,000 bales (480 lb. net) from about 405,000 planted acres. This compares with a 1963-64 crop of 335,000 bales from about 400,000 acres. The Central Zone crop, now being harvested, is expected to slightly exceed 100,000 bales from 120,000 acres, 30 percent below the 1963-64 crop of 150,000 bales from 156,000 acres, and 60 percent below the 1962-63 production of 230,000 bales from 256,000 acres. Grower discontent with prices, plus high production costs, poor weather, insect damage, and more attractive alternative crops such as sesame, are given as reasons for the decline in Central Zone production.

Conversely, acreage and production in the Northern Zone have been climbing steadily since 1961-62. Planted area for the 1964-65 northern crop is estimated at about 288,000 acres, and production may exceed 200,000 bales. Cost of cotton production in the Northern Zone is reportedly lower than in the Central Zone.

Exports from Colombia during the full 1963-64 season are estimated at 40,000 bales, 65 percent below the 115,000 bales exported in the 1962-63 season. This decrease was attributed to a reduction in export availabilities following the poor 1963-64 Central Zone crop. Quantities shipped to major destinations during August-May, in thousands of bales (comparable 1962-63 figures in parentheses), were the United Kingdom 9 (38), West Germany 6 (23), Ecuador 6 (4), Switzerland 3 (3), Netherlands 2 (16), and France 1 (6). Total exports in the August-May period

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of 1963-64 amounted to 28,000 bales.

Colombia prohibits imports of lint cotton except for small shipments of long staple cotton, mostly from the United States and Peru. Imports in 1963-64 amounted to about 15,000 bales.

The textile industry is Colombia's largest manufacturing industry, and the cotton textile portion is by far the most important. Cotton consumption in 1963-64 was again a record, 265,000 bales, compared with 260,000 in 1962-63. In the past 5 years, mill capacity has increased by over 100,000 bales to a present annual capacity of 300,000. The cotton textile industry now produces a full range of textiles to meet most of the domestic demand, as well as a sizable share of the needs of some neighboring countries.

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